



Entergy

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April 18, 2005

Entergy Arkansas, Inc.
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203-0551
Tel 501 377 4457
Fax 501 377 4415

Steven K. Strickland
Vice President
Regulatory Affairs

Mr. Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Tennessee Regulatory Authority (TRA) Docket No. 03-00486
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain
Financing Transactions During the Years 2004 Through 2006

Dear Mr. Miller:

Pursuant to the approving Order issued October 31, 2003, in TRA Docket No. 03-00486, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc.'s compliance financing report filed April 15, 2005, with the Arkansas Public Service Commission in APSC Reporting Docket No. 86-033-A and APSC Docket No. 03-139-U.

This report is in regard to EAI's March 29, 2005, issuance of \$45 million aggregate principal amount of Pollution Control Revenue Refunding Bonds.

If you have any questions or need additional information, please do not hesitate to call me at 501-377-5489.

Sincerely,

William R. Morgan
Manager, Regulatory Affairs

WM/tj
Attachments



Entergy

ARK PUBLIC SERVICE COM.
DIVISION OF
SECURITIES & COMM.

APR 15 2 21 PM '05

Entergy Arkansas, Inc.
425 West Capitol Avenue
P.O. Box 551
Little Rock, AR 72203-0551
Tel 501 377 4457
Fax 501 377 4415

FILED

Steven K. Strickland
Vice President
Regulatory Affairs

April 15, 2005

Ms. Diana Wilson, Secretary
Arkansas Public Service Commission
P. O. Box 400
1000 Center Street
Little Rock, AR 72203-0400

Re: Originating Docket: 03-139-U
Report Docket: 86-033-A
Pursuant to Order No. 2
In the Matter of the Application of Entergy Arkansas, Inc.
for Authorization to Enter Into Certain Financing
Transactions During the Years 2004 Through 2006

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings regarding its March 29, 2005, issuance of \$45,000,000 aggregate principal amount of Pollution Control Revenue Refunding Bonds. This report is required under Order No. 2 in Docket No. 03-139-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

SS/tj
Attachments

c: All Parties of Record

ENTERGY ARKANSAS, INC.

**SALE OF \$45,000,000 INDEPENDENCE COUNTY, ARKANSAS
POLLUTION CONTROL REVENUE REFUNDING BONDS
(ENTERGY ARKANSAS, INC. PROJECT) SERIES 2005**

EXECUTIVE SUMMARY

Entergy Arkansas, Inc. ("EAI") entered into a Loan Agreement dated March 1, 2005 (the "Loan Agreement") with Independence County, Arkansas (the "Issuer") pursuant to which the Issuer issued and sold, on March 29, 2005, by negotiated public offering, \$45,000,000 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005 due January 1, 2021 (the "Tax-Exempt Bonds") and loaned the proceeds of the Tax-Exempt Bonds to EAI. On March 29, 2005, in order to evidence in part and secure in part its obligations pursuant to the Loan Agreement, EAI issued to Simmons First Trust Company, National Association, as trustee under a Trust Indenture dated March 1, 2005 with the Issuer pursuant to which the Tax-Exempt Bonds were issued (the "Trust Indenture"), \$45,000,000 in aggregate principal amount of EAI's first mortgage bonds, 5% Pollution Control Series E (the "Collateral Bonds").

EAI shall cause the proceeds of the Tax-Exempt Bonds to be applied exclusively to the redemption on or about April 28, 2005 of the Independence County, Arkansas Pollution Control Revenue Refunding Bonds, Series 1993 (Arkansas Power & Light Company Project) (the "Prior Bonds") at a redemption price of 101% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date. The redemption of the Prior Bonds and issuance of the Tax-Exempt Bonds proved to be the best method for financing due to lower pricing in the current market environment.

The proceeds from the issuance of the Tax-Exempt Bonds were \$45,000,000. The Underwriters received \$281,250 from EAI as compensation for the Underwriters purchasing and making a public offering of the Tax-Exempt Bonds. Additional expenses are estimated to be approximately \$200,000. Actual expenses will not be known for several months subsequent to closing.

TRANSACTION ANALYSIS AND RESULTS

SUMMARY OF TERMS

Tax-Exempt Bonds:

<u>Principal Amount:</u>	\$45,000,000
<u>Maturity Date:</u>	January 1, 2021

Optional Call Provisions:

Underwriters:

Callable at par on and after July 1, 2010
MORGAN STANLEY & CO. INCORPORATED
STEPHENS INC.
BNY CAPITAL MARKETS, INC.

10 Year Treasury Yield @ Pricing:

4.65%

Spread to Treasury:

0.35%

Yield to Public:

5%

Coupon Rate:

5%

Price to Public:

100%

Underwriters' Compensation:

0.625%

Price to Company:

99.375%

Collateral Bonds:

Principal Amount:

\$45,000,000

Maturity Date:

January 1, 2021

Coupon Rate:

5%

Optional Call Provisions:

None

JOURNAL ENTRIES

Exhibit A shows journal entries related to the sale of the Tax-Exempt Bonds.

ENTERGY ARKANSAS, INC.
ENTRIES TO RECORD THE SALE OF
\$45,000,000 TAX-EXEMPT BONDS

Entry No. 1

Funds held on Deposit with Trustee	\$ 44,711,853.00
Unamortized Debt Expense – 5% Series LTD (Underwriting Fee)	\$ 288,147.00
Unamortized Discount – 5% Series LTD	\$ 0
Long Term Debt	\$ 45,000,000.00

To record the sale of \$45,000,000 principal amount of Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021, and the related underwriting fee associated with the sale.

Entry No. 2

Unamortized Debt Expense – 5% Series	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$45,000,000 principal amount of Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021 (*Total expenses are estimated to be approximately \$200,000. Actual expenses will not be known for several months subsequent to closing.)

Entry No. 3

Amortization – Discount on Long Term Debt *	\$*	
Unamortized Discount on Long Term Debt *		\$ *

To record the annual amortization of debt discount in connection with the issuance of \$45,000,000 principal amount of Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021.

***NOTE: No discount associated with this piece of debt.**

Entry No. 4

Amortization – Expenses for Long Term Debt *	\$ 14,874.03	
Unamortized Debt Expense for Long Term Debt *		\$ 14,874.03

To record the annual amortization of underwriting fee in connection with the issuance of \$45,000,000 principal amount of Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021.

***NOTE:** This amount represents the approximate amount of expenses that will be amortized for 2005 only, based on the initial underwriting fee and initial expenses associated with this piece of debt. As the expenses continue to increase, so does the monthly amortization.

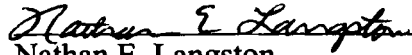
Entry No. 5

Long Term Debt	\$45,000,000
Unamortized Loss	\$845,936
Unamortized Expense	\$120,715
Unamortized Discount	\$275,221
Call Premium	\$450,000
Cash	\$45,000,000

To record the early redemption of the \$45,000,000 principal amount of 6.25% Independence County, Arkansas Pollution Control Revenue Bonds, Series 1993 (Arkansas Power & Light Company Project), due January 1, 2021 with the issuance of \$45,000,000 principal amount of Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021.

ENTERGY ARKANSAS, INC.

I, Nathan E. Langston, Senior Vice President and Chief Accounting Officer, attest on this 15th day of April, 2005, that the journal entries attached as Exhibit A correctly reflect the effect of the sale on March 29, 2005 of \$45,000,000 Independence County, Arkansas 5% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2005, due January 1, 2021 in connection with the above-described transaction.


Nathan E. Langston
Senior Vice President and Chief Accounting Officer